Press release

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Firms to hear how Met Office data can minimise business risk
World weather leaders to share expertise

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Leading experts are set to show British business chiefs how they can use sophisticated world-class weather data to potentially save millions of pounds of lost revenue every year.

The Met Office is holding training courses at its London operations centre to show how firms in a variety of sectors can use its world-class weather data to give them a new "safety net" in an age of global warming.

Delegates will learn how the Met Office collects its data and how they are used to interpret future weather conditions. This information is then used to help industry and commerce plan their business more effectively and hedge risks against loss. The courses are set to attract attendees from key sectors - from financial traders to risk specialists and insurance personnel.

A focus of the courses on 29 and 30 March will be the new safety net which is already proving popular with UK firms - weather derivatives.

Weather derivatives are tools by which businesses can protect themselves against losing out because of unforeseen weather events. Companies use negotiated deals with derivative brokers to "hedge" revenues or costs - ensuring they can plan their business without fear that a cold spell or unexpected heatwave, for example, will impact on their operations or sales. Gareth John, Head of Sales and Marketing, with the Met Office's Commercial Division, said: "Weather derivatives are becoming increasingly important to UK companies, following the lead of the US where the market is worth over nine billion dollars per annum. Now the market outside North America is taking off."

Derivatives differ from insurance in so much as they pay out on a pre-agreed basis and not simply because the "hedging company" has suffered a loss - it is variations on temperatures and other weather elements which are hedged, not simply weather extremes.

Like other derivatives, weather derivatives can be traded or unwound. Unlike insurance there is always speedy and clean settlement in line with agreed terms and they are also not subject to Insurance Premium Tax.

Gareth John added: "The Met Office increasingly supports derivative traders with the information they need. Raising awareness of this growth sector is important to show how, using the very latest methods and technology, we are able to respond to the changing needs for the very best weather data."

The Met Office is already gaining a reputation as the first call for traders who use its on-line weather derivatives service* and who trust the fact that Met Office data, spanning centuries and subject to tight quality control and rigorous assessment, are the best in the world. Data interpretation using innovative models has also kept the Met Office ahead of its rivals.

One of its key clients - energy giant Enron - will be taking part in the training, **Trading on weather? What you need to know**. Dr Ross McIntyre, Enron's Worldwide Director of Weather Risk, is the guest speaker who will be providing a broker's perspective on weather derivatives.

The courses also feature fascinating insights into how the Met Office forecasts weather and how global warming is influencing their work for British companies. In addition all delegates can visit the instrument enclosure at Met Office London, to view how data are collected and then see how they are analysed in the forecasting offices. All courses are fully certified and you can receive an early bird discount if you book before 9 March paying only £650 (excl. of VAT). After this date, costs per delegate are £750 (excl. of VAT).

Further information on content and location can be obtained by visiting the Met Office web site at www.metoffice.com/energy/training_course.html.

** The Met Office's Weather Derivatives Online information service can be found at www.metoffice.com/insurance/wxderiveonline.*

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